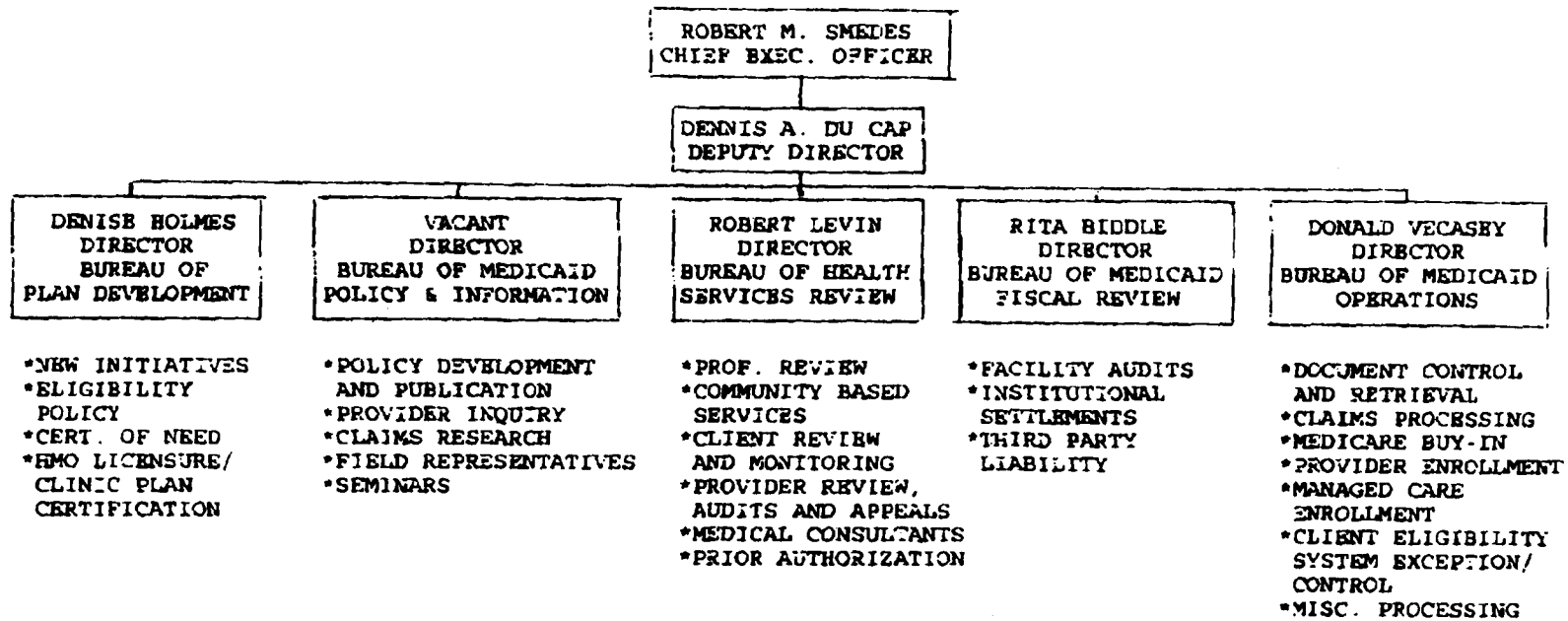


9-20-96

MEDICAL SERVICES ADMINISTRATION



HCFA-179 # 26-012 Date Rec'd 6-28-96
Supersedes _____ Date Appr. 9-23-96
State Rep. In _____ Date Eff. 4-1-96

ATTACHMENT 1.2-3
Page 1

ATTACHMENT 1.2-B

Page 2

MEDICAL SERVICES ADMINISTRATION
OVERVIEW

The Medical Services Administration (MSA) is organizationally located within the Michigan Department of Community Health (MDCH). The MSA is directly responsible for the administration and management of the Michigan Medical Assistance Program, and the integration of program operations with comparable State and Federal programs which provide assistance to the financially and medically needy. The MSA is also the fiscal agent for the State's Title V/Children's Special Health Care Services Program, administered by the Community Public Health Agency within the MDCH.

The Medical Services Administration is comprised of five operating bureaus, all reporting to the MSA's Chief Executive Officer. The Chief Executive Officer reports to the Director of the Department of Community Health and provides the administrative and planning direction for the overall agency operation.

Bureau of Plan Development

This bureau has responsibility for Medicaid eligibility policy, the new managed care initiatives, licensure of HMOs, certification of Capitated Clinic Plans, and Certificates of Need. This bureau is also coordinating the MSA teams which are developing new approaches to comprehensive health care services, children's special health care services, behavioral health services, services for the developmentally disabled, and long term care services.

Bureau of Medicaid Policy and Information

This bureau has responsibility for the identification, research, development and implementation of Medicaid policy for providers of medical and other health care services. The bureau also serves as MSA's information link with Medicaid providers, by responding to provider inquiries, offering training and problem resolution services, and publishing policy and procedure manuals.

Bureau of Health Services Review

This bureau is responsible for assuring that the care and services provided to Medicaid clients are medically necessary, of high quality, and in the most appropriate setting. Bureau staff monitor fee for service providers and contracted capitated managed care organizations for their quality of care as well as clients for their utilization of care. Staff evaluate and approve long term care programs and agreements, and they are responsible for reviewing, and approving when appropriate, requests for specialized equipment or treatments.

HCFA-179 # 96-018 Date Rec'd 6-28-96
Supersedes _____ Date Appr. 7-23-96
State Rep. In _____ Date Eff. 4-1-96

ATTACHMENT 1.2-B

Page 3

Bureau of Medicaid Fiscal Review

This bureau is responsible for the fiscal integrity of the Medicaid program. Staff perform complex audit, cost settlement and rate setting processes for payments to capitated managed care organizations, hospitals, long term care facilities and other large health care providers. The bureau is also responsible for assuring that taxpayer funds are not used if Medicaid clients have other third party resources.

Bureau of Medicaid Operations

This bureau is responsible for the receipt and processing of Medicaid claims from more than 25,000 providers of medical and other health care services. Bureau staff also maintain systems for provider enrollment and client managed care plan enrollment.

HCFA-179 # 96-010 Date Rec'd 6-28-96
Supersedes _____ Date Appr. 9-23-96
State Rep. In _____ Date Eff. 4-1-96